

Allens Arthur Robinson **Date** 22 November 2010

ABN 47 702 595 758

**Page** 1 of 15**From** Zdravko Jelic / John Greig**To** **Company Announcements Office, Australian  
Securities Exchange, Brisbane****Fax** 1300 135 638Level 31  
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Brisbane QLD 4000  
Australia  
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DX 210 Brisbane[www.aar.com.au](http://www.aar.com.au)

Confidential Fax

Fax enquiries ring +61 7 3334 3230

Dear Sir/Madam

**Form 603 Notice of Initial Substantial Holder for QR  
National Limited**

In accordance with s671B of the *Corporations Act 2001*, we hereby lodge a Form 603 (Notice of Initial Substantial Holder) with the Australian Securities Exchange (Company Announcements Office) in relation to QR National Limited (ACN 146 335 622) for and on behalf of the substantial holders listed in section 1 of the attached form.

Yours sincerely



**John Greig**  
Partner  
[John.Greig@aar.com.au](mailto:John.Greig@aar.com.au)  
T +61 7 3334 3358



**Zdravko Jelic**  
Senior Associate  
[Zdravko.Jelic@aar.com.au](mailto:Zdravko.Jelic@aar.com.au)  
T +61 7 3334 3230

Attach

**Our Ref** ZYJB:JAGB:406221748

zyjb A0116071043v1 406221748 22.11.2010

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**Form 603**  
Corporations Act 2001  
Section 671B

**Notice of initial substantial holder**

To Company Name/Scheme QR National Limited (the Company)

ACN/ARSN 146 335 622

**1. Details of substantial holder (1)**

Name State of Queensland, Andrew Fraser (Treasurer and Minister for Employment and Economic Development of the State of Queensland), Queensland Treasury Holdings Pty Ltd (QTH), Gerard Patrick Bradley (Under Treasurer of the State of Queensland)

ACN/ARSN (if applicable) 011 027 295 (Queensland Treasury Holdings Pty Ltd)

The holder became a substantial holder on 22 November 2010

**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

| Class of securities (4) | Number of securities | Person's votes (5) | Voting power (6) |
|-------------------------|----------------------|--------------------|------------------|
| Ordinary shares         | 976,000,000          | 976,000,000        | 40%              |

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

| Holder of relevant interest                                                                               | Nature of relevant interest (7)                                                                                                                                                                                                                                             | Class and number of securities                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| State of Queensland                                                                                       | 14/09/10 – Incorporation of Company<br>21/09/10 – issue of shares under Transfer Notice attached at Annexure A<br>6/10/10 – Share split under Project Direction attached at Annexure B<br>22/11/10 – Disposal of shares pursuant to public offer by the State of Queensland | 14/09/10 – 2 ordinary shares<br>21/09/10 – 100 ordinary shares<br>06/10/10 – 2,440,000,000 ordinary shares<br>22/11/10 – 976,000,000 ordinary shares |
| Andrew Fraser (Treasurer and Minister for Employment and Economic Development of the State of Queensland) | 14/09/10 – Incorporation of Company<br>21/09/10 – issue of shares under Transfer Notice attached at Annexure A<br>6/10/10 – Share split under Project Direction attached at Annexure B<br>22/11/10 – Disposal of shares pursuant to public offer by the State of Queensland | 14/09/10 – 1 ordinary share<br>21/09/10 – 50 ordinary shares<br>06/10/10 – 1,220,000,000 ordinary shares<br>22/11/10 – 976,000,000 ordinary shares   |
| QTH                                                                                                       | Relevant interest under s608(1)(c) of the Corporations Act pursuant to the letter agreement attached at Annexure C.                                                                                                                                                         | 976,000,000 ordinary shares                                                                                                                          |
| Gerard Patrick Bradley (Under Treasurer of the State of Queensland)                                       | Relevant interest under s608(3)(a) of the Corporations Act through QTH.                                                                                                                                                                                                     | 976,000,000 ordinary shares                                                                                                                          |

**4. Details of present registered holders**

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

| Holder of relevant interest | Registered holder of securities                                                                           | Person entitled to be registered as holder (8) | Class and number of securities |
|-----------------------------|-----------------------------------------------------------------------------------------------------------|------------------------------------------------|--------------------------------|
| The persons named in Item 3 | Andrew Fraser (Treasurer and Minister for Employment and Economic Development of the State of Queensland) | QTH                                            | 821,436,735 ordinary shares    |
|                             | Various unknown parties                                                                                   | QTH                                            | 154,563,265 ordinary shares    |

**5. Consideration**

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

| Holder of relevant interest                                                                               | Date of acquisition                         | Consideration (9)                                                            | Class and number of securities                                                                             |
|-----------------------------------------------------------------------------------------------------------|---------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| State of Queensland                                                                                       | (1) 14/09/10<br>(2) 21/09/10<br>(3) 6/10/10 | (1) 14/09/10 – \$2.00<br>(2) 21/09/10 – \$3,020,000,000<br>(3) 6/10/10 – Nil | 14/09/10 – 2 ordinary shares<br>21/09/10 – 100 ordinary shares<br>06/10/10 – 2,440,000,000 ordinary shares |
| Andrew Fraser (Treasurer and Minister for Employment and Economic Development of the State of Queensland) | (1) 14/09/10<br>(2) 21/09/10<br>(3) 6/10/10 | (1) 14/09/10 – \$1.00<br>(2) 21/09/10 – \$1,510,000,000<br>(3) 6/10/10 – Nil | 14/09/10 – 1 ordinary shares<br>21/09/10 – 50 ordinary shares<br>06/10/10 – 1,220,000,000 ordinary shares  |
| QTH                                                                                                       | 5 October 2010                              | \$2.55 per share                                                             | 976,000,000 ordinary shares                                                                                |
| Gerard Patrick Bradley (Under Treasurer of the State of Queensland)                                       | 5 October 2010                              | \$2.55 per share                                                             | 976,000,000 ordinary shares                                                                                |

**6. Associates**

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association |
|-----------------------------------|-----------------------|
|                                   |                       |

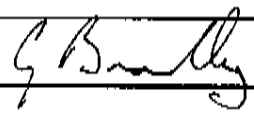
**7. Addresses**

The addresses of persons named in this form are as follows:

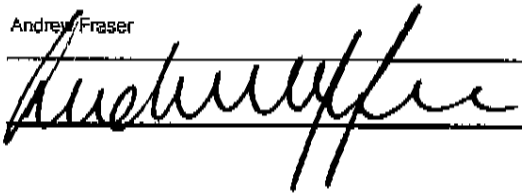
| Name                                                                                                      | Address                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| State of Queensland                                                                                       | Attention: Gerard Patrick Bradley (Under Treasurer of the State of Queensland)<br>Level 9, Executive Building<br>100 George Street,<br>Brisbane Qld 4000                     |
| Andrew Fraser (Treasurer and Minister for Employment and Economic Development of the State of Queensland) | Attention: Gerard Patrick Bradley (Under Treasurer of the State of Queensland)<br>Level 9, Executive Building<br>100 George Street,<br>Brisbane Qld 4000                     |
| QTH                                                                                                       | Attention: Gerard Patrick Bradley (Under Treasurer of the State of Queensland)<br>Level 14, the Queensland Minerals and Energy Centre<br>81 Mary Street<br>Brisbane Qld 4000 |
| Gerard Patrick Bradley (Under Treasurer of the State of Queensland)                                       | Level 9, Executive Building<br>100 George Street,<br>Brisbane Qld 4000                                                                                                       |

**Signature**

print name Gerard Patrick Bradley capacity (i) for and on behalf of the State of Queensland as Under Treasurer of the State of Queensland  
(ii) Director of Queensland Treasury Holdings Pty Ltd  
(iii) shareholder in Queensland Treasury Holdings Pty Ltd

sign here  date 22/11/2010

print name Andrew Fraser capacity Treasurer and Minister for Employment and Economic Development of the State of Queensland

sign here  date 22/11/2010

## DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

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**Annexure "A"**

This is Annexure "A" of 4 pages referred to in Form 603 Notice of Initial Substantial Holder.

Name: Gerard Patrick Bradley

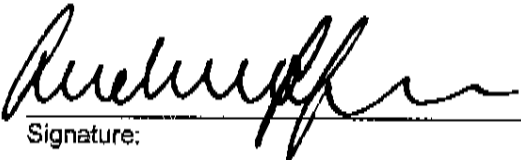
Capacity: (i) for and on behalf of the State of Queensland  
as Under Treasurer of the State of Queensland  
(ii) Director of Queensland Treasury Holdings Pty Ltd  
(iii) shareholder in Queensland Treasury Holdings Pty Ltd

Signature: 

Date: 22-11-10

Name: Andrew Fraser

Capacity: Treasurer and Minister for Employment and  
Economic Development of the State of Queensland

Signature: 

Date: 22.11.10

ANNEXURE "A"

[169]



# Queensland Government Gazette

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TUESDAY 21 SEPTEMBER 2010

[No. 20

### TRANSFER NOTICE – PROJECT DIRECTION

Sections 9 and 11

**This Transfer Notice and Project Direction is given pursuant to the Infrastructure Investment (Asset Restructuring and Disposal) Act 2009**

In anticipation of an initial public offering of the business of QR Limited and its subsidiaries through the sale of shares in QR National, I, ANDREW FRASER, Treasurer and Minister for Employment and Economic Development, hereby:

#### A. Transfer

Transfer all of the issued shares in QR Limited ACN 124 649 967 from the State of Queensland, being the owner of all such shares which are held on its behalf by Andrew Fraser, Treasurer and Minister for Employment and Economic Development of the State of Queensland and Rachel Nolan, Minister for Transport of the State of Queensland, to QR National Limited ACN 146 335 622, such transfer being effective as at immediately after midnight at the beginning of 21 September 2010.

I provide that the consideration for the transfers provided for in this Transfer Notice is, following applications for subscription being received, the issue of 98 fully paid ordinary shares in QR National Limited (to be held in equal proportion by Andrew Fraser as Treasurer and Minister for Employment and Economic Development of the State of Queensland and Rachel Nolan as Minister for Transport of the State of Queensland).

#### B. Direction

1. Direct QR National and its board to:
  - (a) issue:
    - (i) in consideration for the transfer to QR National of the shares in QR Limited;
    - and

- (ii) following receipt of applications for subscription,
 

98 fully paid ordinary shares in QR National (to be held in equal proportion by Andrew Fraser as Treasurer and Minister for Employment and Economic Development of the State of Queensland and Rachel Nolan as Minister for Transport of the State of Queensland), the amount paid up on the these shares being an amount equal to the market value of the shares in QR Limited on the date of transfer;
  - (b) give effect to a written direction of the Under Treasurer or the Project Director for the purposes of this Project Direction, if and when given;
  - (c) do and procure all things (including without limiting the generality of the foregoing, the execution of all instrument, documents or notices required to issue the shares and record the issue with any regulator) necessary, incidental or ancillary to give effect to any matter referred to in this Project Direction; and
  - (d) execute and deliver any other agreement, deed or instrument relating to the matters contemplated by the Project Direction.
2. Direct that where there is an ambiguity or doubt about the meaning or intent of this Project Direction that each of QR National and its board and the QR National Subsidiaries and their respective boards give effect to the interpretation of the matter by the Under Treasurer as advised to it in a written clarifying statement of the Under Treasurer.

#### C Definitions

In this Project Direction:

- (a) **Project** means the disposal of all or part of the QR National Assets;
- (b) **Project Director** means the person from time to time nominated in writing as such by the Under Treasurer in relation to the Project;
- (c) **QR Limited** means QR Limited ACN 124 649 967;
- (d) **QR National** means QR National Limited ACN 146 335 622;
- (e) **QR National Assets** means:
  - (i) the above rail business, assets and liabilities of QR National and the companies included in the list of QR National Subsidiaries; and
  - (ii) the below rail business, assets and liabilities of QR National and the companies included in the list of QR National Subsidiaries;
- (f) **QR National Subsidiaries** means such of QR Limited, QR Intermodal Pty Ltd ACN 114 388 377, Australian Rail Pty Ltd ACN 118 274 481, Logistics Australasia Pty Ltd ACN 004 411 983, QR Network Pty Ltd ACN 132 181 116, On Track Insurance Pty Ltd ACN 095 032 670, Interail Australia Pty Ltd ACN 087 619 010, Australia Eastern Railroad Pty Ltd ACN 118 274 776, Australia Western Railroad Pty Ltd ACN 094 792 275, Australian Railroad Group Employment Pty Ltd ACN 087 891 601, AWR Lease Co Pty Ltd ACN 094 792 159, CRT Group Pty Ltd ACN 004 935 915, NHK Pty Ltd ACN 004 541 360, Golden Bros. Group Pty Ltd ACN 082 175 700, QR Surat Basin Pty Ltd ACN 122 385 568 as are from time to time subsidiaries of QR National and any other subsidiary of QR National; and
- (g) **Under Treasurer** means the chief executive of the department responsible for administering the *Infrastructure Investment (Asset Restructuring and Disposal) Act 2009* and includes any person acting in this office from time to time.



21 September 2010]

QUEENSLAND GOVERNMENT GAZETTE No. 20

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Other words and expressions used in this Project Direction which are defined in the *Infrastructure Investment (Asset Restructuring and Disposal) Act 2009*, have the same meaning as in that Act.

Dated at Brisbane this 17th day of September 2010

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**Andrew Fraser**

Treasurer and Minister for Employment and Economic Development

**Annexure "B"**

This Annexure "B" of 3 pages referred to in Form 603 Notice of Initial Substantial Holder.

Name: Gerard Patrick Bradley

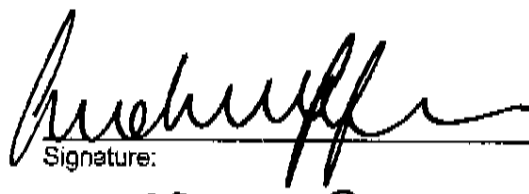
Capacity: (i) for and on behalf of the State of Queensland  
as Under Treasurer of the State of Queensland  
(ii) Director of Queensland Treasury Holdings Pty Ltd  
(iii) shareholder in Queensland Treasury Holdings Pty Ltd

Signature: 

Date: 22-11-10

Name: Andrew Fraser

Capacity: Treasurer and Minister for Employment and  
Economic Development of the State of Queensland

Signature: 

Date: 22.11.10

## ANNEXURE 'B'

## Queensland

*Infrastructure Investment (Asset Restructuring and Disposal) Act 2009*

## Section 11

## PROJECT DIRECTION

## QR National Limited – Share split

1. Pursuant to section 11 of the *Infrastructure Investment (Asset Restructuring and Disposal) Act 2009*, I, Andrew Fraser, Treasurer and Minister for Employment and Economic Development, direct and require that, as part of the Project each of QR National and its board:
  - (a) procure that each ordinary share in QR National be converted into 24,400,000 ordinary shares, with the result that the total number of shares issued in QR National will be converted from 100 ordinary shares to 2,440,000,000 ordinary shares;
  - (b) convene a general meeting of the shareholders of QR National for the purpose of passing a resolution converting the 100 issued ordinary shares into 2,440,000,000 issued ordinary shares to be held on 6 October 2010 (with the consent of the shareholders) or such later date as is specified in a written direction to be issued under paragraph 1(c) below;
  - (c) give effect to a written direction of the Under Treasurer or the Project Director for the purposes of this Project Direction, if and when given; and
  - (d) do and procure all things (including, but without limiting the generality of the foregoing, the execution of all instruments or documents required to split the shares in QR National Limited) necessary, incidental or ancillary to give effect to any matter referred to in this Project Direction, including:
    - (i) facilitating the conduct of the business of the meeting referred to in paragraph 1(b) above;
    - (ii) requiring QR National to take steps necessary to give effect to this Project Direction; and
    - (iii) executing and delivering any other agreement, deed or instrument relating to the matters contemplated by this Project Direction.
2. Direct that where there is an ambiguity or doubt about the meaning or intent of this Project Direction that each of QR National and its board give effect to the interpretation of the matter by the Under Treasurer as advised to it in a written clarifying statement of the Under Treasurer.
3. **Definitions**

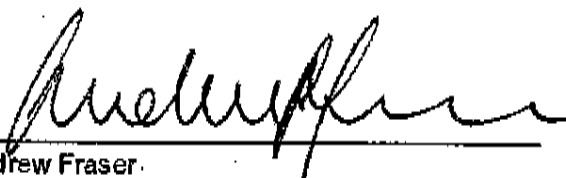
In this Project Direction:

  - (a) *Act* means the *Infrastructure Investment (Asset Restructuring and Disposal) Act 2009*;
  - (b) *Project* means the disposal of all or part of the QR National Assets;
  - (c) *Project Director* means the person from time to time nominated as such by the Under Treasurer in relation to the Project;
  - (d) *QR National* means QR National Limited ACN 146 335 622;
  - (e) *QR National Assets* means:

- (i) the above rail business, assets and liabilities of QR National and the companies included in the list of QR National Subsidiaries; and
- (ii) the below rail business, assets and liabilities of QR National and the companies included in the list of QR National Subsidiaries; and
- (f) *Under Treasurer* means the chief executive of the department responsible for administering the *Infrastructure Investment (Asset Restructuring and Disposal) Act 2009* (Qld) and includes any person acting in that office from time to time.

Other words and expressions used in this Project Direction which are defined in the Act have the same meaning as in that Act.

Dated at Brisbane this 3 day of October 2010

  
\_\_\_\_\_

Andrew Fraser.

Treasurer and Minister for Employment and Economic Development

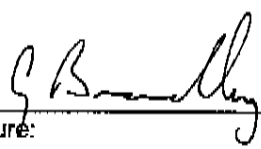
**Annexure "C"**

This is Annexure "C" of 3 pages referred to in Form 603 Notice of Initial Substantial Holder.

Name: Gerard Patrick Bradley

Capacity:

- (i) for and on behalf of the State of Queensland as Under Treasurer of the State of Queensland
- (ii) Director of Queensland Treasury Holdings Pty Ltd
- (iii) shareholder in Queensland Treasury Holdings Pty Ltd

Signature: 

Date: 22-11-10

Name: Andrew Fraser

Capacity: Treasurer and Minister for Employment and Economic Development of the State of Queensland

Signature: 

Date: 22-11-10

ANNEXURE "C"

**Queensland  
Government**

Our Reference: TRX-14499

Treasury

The Board of Directors  
Queensland Treasury Holding Pty Ltd  
Level 11, Central Plaza One  
345 Queens St  
BRISBANE QLD 4000

**Attention: The Company Secretary**

Dear Sirs

The State of Queensland currently owns all of the fully paid ordinary shares (**Shares**) in QR National Limited (**QRN**).

As you also know, it is the State's intention to offer for sale to the public a minimum of 60% of the Shares as part of an initial public offering which is intended to result in QRN being admitted to the official list of the ASX (**IPO Process**).

By this letter agreement, Queensland Treasury Holdings Pty Ltd (**QTH**) and the State of Queensland acknowledge and agree that:

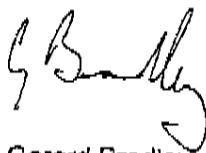
1. the State will transfer to QTH the whole of its legal and beneficial interest in all Shares in which it retains a relevant interest (including for the avoidance of doubt, any Shares registered in the name of Andrew Fraser, as Treasurer and Minister for Employment and Economic Development of the State of Queensland and Rachel Nolan as Minister for Transport of the State of Queensland) following the transfer of Shares to successful applicants under the IPO Process (the **Relevant Shares**). For the avoidance of doubt, the State may elect to complete the transfer of the Relevant Shares in one or more tranches and either before or after the conclusion of any period in which an over-allocation option may be exercised (currently expected to be on or around 22 December 2010);
2. the State will transfer the Relevant Shares to QTH in consideration for QTH paying to the State an amount equal to the Institutional Price (as the term is defined in the State's offer document forming part of the IPO Process) for the Relevant Shares;
3. QTH agrees to comply with the restrictions regarding the Relevant Shares set out in the State's offer document forming part of the IPO Process. In particular, QTH agrees and acknowledges that it will exercise no influence over QRN other than

Executive Building  
100 George Street Brisbane  
GPO Box 611 Brisbane  
Queensland 4001 Australia  
Telephone +61 7 3224 2111  
Facsimile +61 7 3221 5488  
Website [www.treasury.qld.gov.au](http://www.treasury.qld.gov.au)  
ABN 90 856 070 239

- 2 -

- through the exercise of normal voting rights in matters submitted to a vote of shareholders of QRN; and
4. by virtue of this letter agreement, QTH and each of QTH's existing shareholders will have a relevant interest in the Relevant Shares which must be notified to QRN and the ASX under Chapter 6C of the Corporations Act upon QRN becoming a company subject to the operation of Chapter 6C.

Yours sincerely



Gerard Bradley  
Under Treasurer 5/10/10

*acknowledged by*  
  
*NEIL CASTLES*  
*5 OCT 2010*